

Thank you for attending the Indiana Utility Regulatory Commission's (IURC's) public field hearing this evening. The IURC's order on Citizens Gas of Westfield's rate request is expected in 2017. No final decision will be made tonight.

The IURC is the state agency that has jurisdiction over Citizens' rates & charges. State law requires the IURC to balance utility and ratepayer interests, and to base its decision in each case on the evidence in the record.

The Indiana Office of Utility Consumer Counselor (OUCC) is the separate state agency that represents ratepayer interests in IURC cases. We'd like for you to know several things about the process:

An IURC public field hearing is a formal, legal proceeding.

- An Administrative Law Judge presides. At least one IURC Commissioner is present.
- An OUCC attorney participates. Attorneys for the utility and intervening parties may participate, as well.
- A court reporter records oral testimony.

You may speak or provide written comments regarding the gas rate case, or do both.

- To speak, please complete the top half of the witness form and turn it in at the registration table.
 - An OUCC attorney will call speakers forward. All speakers will be sworn in and asked to spell their names for the court reporter.
 - The court reporter will record comments made under oath for the case record.
- Written consumer comments will also become part of the case's formal record. They carry the same weight as oral comments made under oath.
 - If you would like to submit written comments this evening, please use the witness form. If you have brought a letter or other documentation and would like to have it included, OUCC staff can attach it to your form.
 - Comments submitted after tonight must be in writing so the OUCC can file them for the formal case record.
 - The OUCC needs to receive all consumer comments no later than 4:45 p.m. on October 21, 2016. If comments are received later, we cannot guarantee that we can get them in the record.
 - The OUCC invites written comments by mail, email, fax, and online. (All of our contact information is on page 4.)

**The field hearing is one step in the process.
Its sole purpose is to give consumers the chance to speak.**

- Field hearings do not include presentations by utilities. Citizens Gas of Westfield filed testimony and exhibits in this case in June.
- Commissioners may not answer questions about the case. They will weigh the evidence and render a decision.
- OUCC staff will be available to answer questions about the process on an individual basis.

CITIZENS GAS OF WESTFIELD RATE CASE: UTILITY TESTIMONY

Westfield Gas, LLC – doing business as Citizens Gas of Westfield – is seeking approximately \$361,000 in new, annual operating revenues. It filed a petition with the IURC initiating this case on December 30, 2015. On July 17, 2016, the utility filed its testimony and exhibits. The case is docketed as IURC Cause No. 44731.

According to Citizens Gas of Westfield’s testimony and exhibits:

- The average monthly residential natural gas bill would rise from \$65.93 to \$71.37. (This is based on a total annual usage of 789 therms.)
 - This would include increasing the monthly customer service charge from \$5.79 to \$12.00 for residential customers, and raising the monthly customer service charge for commercial customers from \$5.79 to \$37.00.
 - The base rate’s volumetric portion would also change.

The utility’s testimony and exhibits cite increases in operating and maintenance costs, along with costs for infrastructure improvements.

Current rates for Westfield’s natural gas utility were approved in 2010.

CITIZENS GAS OF WESTFIELD RATE CASE: OUCC TESTIMONY

The OUCC filed testimony on September 26, 2016 recommending denial of the utility’s request based on the evidence in this case. In its testimony, the OUCC:

- Recommends an authorized return on equity of 8.8 percent (compared to the 10.4 percent currently authorized for Citizens Gas of Westfield, and the 10.7 percent the utility is requesting in this case).
- Proposes reductions to line items for various operating and maintenance costs.
- Notes that the utility is not proposing a comprehensive energy efficiency plan and recommends disallowing requested rate recovery for such programs. Under state law, such a plan must be supported by evidence and must demonstrate consumer cost savings.
- Calls for rate case expenses – including fees for attorneys and expert witnesses – to be shared between Citizens Westfield Utilities, LLC and the utility’s customers. Traditionally, rate case expenses have been recovered from a utility’s customers through rates. The evidence shows that Citizens Gas of Westfield (which is operated as a for-profit entity) paid \$775,000 in dividends to Citizens Westfield Utilities, LLC (its 100% owner) in 2015.

This case includes a number of future steps:

October 21, 2016	OUCC deadline to receive consumer comments for the record
October 26, 2016	Citizens files rebuttal testimony
December 6, 2016	First day of IURC evidentiary hearing*
2017	Parties file proposed orders (written closing arguments)
2017	IURC order expected**

* The evidentiary hearing is scheduled to start on December 6, 2016 at 9:30 a.m. in Room 222 at the PNC Center (101 W. Washington St. in Indianapolis). It is scheduled to last up to three days if needed. IURC evidentiary hearings are open to the public, but participation is typically limited to attorney and Commission questioning of technical witnesses for the case's formal parties.

** Final orders are issued at the IURC's weekly conferences, typically on Wednesday afternoons. Agendas are posted 48 hours in advance at www.in.gov/iurc/2428.htm.

All dates are subject to change. A settlement agreement is possible in any legal proceeding.

The OUCC will post case updates at www.in.gov/oucc/2479.htm.

All publicly filed documents are available online. To view the IURC's public case file:

- Visit www.in.gov/iurc and click the "Electronic Document System" link in the upper right portion of the page.
- Look for the "Search for a Docketed Case" box on the following page, and click the blue "Start" icon.
- On the following page, enter 44731 in the "Cause Number" field and click "Search."
- The Cause Number, 44731, will then appear near the bottom of the page. Click the blue cause number and you will be directed to the file.

SEWER RATES

A proposed rate increase for Citizens Wastewater of Westfield is pending in a separate case (Cause No. 44835).

Oral testimony in tonight's field hearing is limited to the gas rate case. However, a separate IURC field hearing in the sewer case is scheduled for November 3, 2016 at 6:00 p.m. at Westfield Middle School (345 W. Hoover St.).

If you would like to provide written comments for the sewer rate case's formal record this evening, please see a member of the OUCC's staff.

Neither of the pending Westfield cases will affect rates for Citizens Energy Group customers in Marion County.

TO SEND COMMENTS AFTER TONIGHT

The OUCC welcomes written consumer comments:

- Online at www.IN.gov/OUCC. Click the “Contact Us” link on the left side of the page.
- By email at uccinfo@oucc.IN.gov.
- By fax at (317) 232-5923.
- By mail at:
Indiana Office of Utility Consumer Counselor
Consumer Services Staff
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204

Comments after the field hearing need to be in writing so that our staff can:

1. Properly review them, and
2. File them with the IURC for the formal case record. We are unable to take comments for the record by phone.

Comments we receive by October 21, 2016 will be filed with the IURC for the case record.

GENERAL AGENCY INFORMATION

Indiana Office of Utility Consumer Counselor (OUCC)

- State agency
- Represents the interests of all Indiana utility consumers, including residential, commercial and industrial, in cases before the IURC and federal utility regulatory commissions
- Staff of attorneys, accountants, engineers, economists, consumer services, and support personnel

Indiana Utility Regulatory Commission (IURC)

- State agency
- Regulates many, but not all, Indiana utilities.
- Regulates rates, financing, service territory, quality of service, etc.
- Required by law to make decisions that balance the interests of utilities and consumers